

Subject: **Decision to Opt in to the National Scheme for Auditor Appointments - Extract from the proceedings of the Audit & Standards Committee meeting held on the 10 January 2017**

Date of Meeting: **26 January 2017**

Report of: **Monitoring Officer**

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Wards Affected: All

FOR GENERAL RELEASE***Action Required of Council:***

To receive the report referred from the Audit & Standards Committee for decision.

Recommendations:

- (1) That Council opt-in to the national scheme and adopt PSAA as the appointing person for the Council including in the prescribed acceptance form a request for a collaborative auditor appointment with Surrey County Council and East Sussex County Council; and
- (2) That the Council delegate the process of acceptance of the invitation to the Executive Director of Finance & Resources as the council's S151 Officer.

BRIGHTON & HOVE CITY COUNCIL**AUDIT & STANDARDS COMMITTEE****4.00pm 10 JANUARY 2017****COUNCIL CHAMBER, HOVE TOWN HALL****MINUTES**

Present: Councillors A Norman (Chair) Chapman, Cobb, Druitt, Morris, Robins (Group Spokesperson), Sykes (Group Spokesperson) and Taylor

Independent Persons present: Diane Bushell, Dr David Horne

PART ONE**63 DECISION TO OPT IN TO THE NATIONAL SCHEME FOR AUDITOR APPOINTMENTS**

- 63.1 The Committee considered a report of the Executive Director, Finance & Resources that set out the requirements to comply with legislation for the appointment of external auditors effective from the 2018/19 financial year and requested Members to recommend a proposed course of action to Full Council relating to the future appointment of the Council's external auditor through Public Sector Audit Appointments Ltd (PSAA).
- 63.2 The Chair asked whether the Council was likely to appoint the same auditors as its Orbis partners under the process.
- 63.3 The Assistant Director, Finance stated that the position in relation to appointments was as yet unknown. Paul King, External Audit Director, stated that historically, there had been a degree of consultation with local authorities under such a process, specifically in relation to collaborative partners.
- 63.4 Councillor Taylor noted his uncertainty regarding the arrangement as typically, a procured contract would include in its terms, conditions that a specific local authority wanted to achieve. Councillor Taylor noted his concerns for accountability with hundreds of organisations already signed up to the arrangement. Furthermore, Councillor Taylor requested clarification on the length of contract proposed and whether the Council would be able to withdraw from the arrangement should it wish to.
- 63.5 The Assistant Director, Finance clarified that the PSAA's Procurement Strategy indicated the contracts would be awarded for a five year term. A key advantage of adopting PSAA as the appointing person for the Council was their expertise and experience in contract management of this type which was a resource not currently available within the Council.

- 63.6 Councillor Morris enquired as to whether Orbis partners could make a direct joint appointment as detailed as Option 1 of the report.
- 63.7 The Assistant Director, Finance clarified that one of the Orbis partners had already agreed to assign the PSAA as their appointing persons with the other partner likely to do the same in the very near future meaning that Option 1 and 2 were no longer a viable choice for the Council.
- 63.8 Dr Horne enquired whether Grant Certification work would be included in any new arrangement.
- 63.9 The Assistant Director, Finance stated that he was uncertain as to the arrangements for Grant Certification claims and would clarify and report back as soon as possible.
- 63.10 **RESOLVED TO RECOMMEND-** That the Audit & Standards Committee:
- 1) Recommends that Council opt-in to the national scheme and adopt PSAA as the appointing person for the Council including in the prescribed acceptance form a request for a collaborative auditor appointment with Surrey County Council and East Sussex County Council.
 - 2) Recommends that the Council delegate the process of acceptance of the invitation to the Executive Director of Finance & Resources as the council's S151 Officer.

The meeting concluded at 6.30pm

